Bulgarism:

The Self-Colonisation of a Nation and the Financialisation of Sovereignty

The Anatomy of a Self-Colonising Nation

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Abstract:

This article introduces the concept of Bulgarism as a new theoretical framework for understanding the relationship between cultural identity, national sovereignty and international finance in modern Bulgarian history. Building upon Maria Todorova's concept of Balkanism, Alexander Kyosev's theory of Self-Colonizing Cultures, and the early socialist critique of Dimitar Blagoev, the article argues that Bulgaria represents a distinctive case in which cultural self-colonisation became inseparable from the financialisation of political sovereignty. While Balkanism explains the external discourse through which Western Europe constructed the Balkans as its "internal Other," and Self-Colonisation describes the voluntary internalisation of Western models by Bulgarian elites after Liberation, Bulgarism extends these perspectives into the field of political economy. It is defined as the historical condition in which the pursuit of European modernity is financed through external borrowing, gradually transforming political independence into long-term financial dependence. The article traces the development of this process from the Liberation of 1878 through the monarchy, the socialist period and the post-communist transition, demonstrating the remarkable continuity of sovereign indebtedness despite repeated ideological and institutional ruptures. It argues that modernisation, Europeanisation and state-building were financed through successive cycles of foreign loans, debt restructuring and renewed borrowing, allowing international financial institutions and creditors to exercise increasing influence over domestic sovereignty. Rather than viewing these developments as isolated episodes, the article conceptualises them as manifestations of a broader historical mechanism termed Bulgarization—the political-economic process through which cultural self-colonisation evolves into permanent sovereign indebtedness. The study further argues that Bulgaria illustrates a broader transformation in the nature of empire. Whereas classical empires governed through territorial occupation and political administration, contemporary financial empires operate through sovereign debt, international capital markets and contractual obligations. In this framework, national independence does not eliminate imperial power but creates the institutional conditions for its financial reconfiguration. Sovereignty becomes collateral, public debt replaces tribute, and creditors gradually assume functions once performed by imperial governors. Bulgarism therefore offers not merely a reinterpretation of Bulgarian history but a conceptual model for analysing how modern states may become culturally self-colonised and financially dependent while formally preserving political independence.

Keywords: Bulgarism; Bulgarization; Balkanism; Self-Colonization; Alexander Kyosev; Maria Todorova; Dimitar Blagoev; sovereign debt; financialisation; political economy; national sovereignty; Europeanisation; dependency theory; postcolonial studies; Bulgaria; international finance; empire; modernisation; state-building; financial dependence.

Introduction: Beyond Balkanism: Inventing Bulgarism

Maria Todorova's Imagining the Balkans revolutionised Balkan studies by introducing the concept of Balkanism, demonstrating that the Balkans are not merely a geographical region but a discursive construction through which Western Europe defines its own internal "Other." Unlike Edward Said's Orientalism, which projected Europe's fantasies onto a distant East, Balkanism concerns a territory located inside Europe itself yet imagined as perpetually incomplete, semi-civilised, unstable and forever trapped between East and West. Within this symbolic geography, Bulgaria occupies a particularly revealing position. It is European, yet never sufficiently European; modern, yet persistently associated with backwardness; liberated, yet continually measured against standards established elsewhere. Balkanism therefore explains how the West has historically imagined Bulgaria and the Balkans through a discourse of deficiency, incompleteness and permanent transition. Alexander Kyosev shifted this discussion in a radically different direction. If Todorova examined the external gaze, Kyosev investigated the internal one. His influential concept of Self-Colonizing Cultures, first formulated in 1995, argued that countries such as Bulgaria were never formally colonised by Western European empires. Instead, after Liberation, Bulgarian intellectual and political elites voluntarily accepted Western Europe as the unquestionable model of civilisation. Looking toward Paris, Vienna and Berlin, they experienced what Kyosev famously described as a "trauma of absence." Rather than recognising the historical continuity of their own culture, they perceived only what Bulgaria supposedly lacked—cathedrals, universities, museums, grand boulevards, bourgeois institutions, industry and modern urban life. Modernity therefore ceased to be something that could emerge from Bulgaria's own historical development and became something that had to be imported. Bulgaria, in Kyosev's memorable formulation, became a nation that colonised itself.

Yet neither Balkanism nor Self-Colonisation fully explains one of the central paradoxes of Bulgarian modern history. Both remain primarily theories of culture and representation. They describe how Bulgaria is imagined by others and how Bulgarians eventually internalise these representations, but they leave largely unexplored the economic mechanism that transformed cultural imitation into political dependence. Europeanisation was never simply an aesthetic or intellectual aspiration. It required railways, ministries, schools, military academies, banks, ports, factories and modern cities, all demanding financial resources that an impoverished agrarian country did not possess. Consequently, nearly every programme of modernisation after 1878 became inseparable from sovereign borrowing. The ambition to resemble Vienna was financed by Vienna. The desire to become European increasingly depended upon European creditors. Cultural imitation gradually acquired an economic infrastructure. Self-colonisation evolved into financial dependence. This article proposes a new concept designed to unite these intellectual traditions within a single historical framework: Bulgarism. If Balkanism describes the discourse imposed upon Bulgaria from the outside, and Self-Colonisation describes the internalisation of that discourse by Bulgarian elites, Bulgarism describes the historical

condition that emerges when cultural imitation becomes institutionalised through finance. Bulgarism is therefore not simply a Bulgarian version of Balkanism. It is the specifically Bulgarian fusion of cultural self-colonisation and financial self-subordination. It describes the process by which Bulgarian elites voluntarily accepted Western Europe as the universal model of civilisation, financed that aspiration through foreign borrowing and gradually transformed political sovereignty into financial dependency while believing they were advancing towards Europe. The originality of Bulgarism lies precisely in this transition from culture to political economy. It argues that the desire for recognition cannot be separated from the mechanisms that financed it. Every attempt to erase the Ottoman city through Viennese architecture, every effort to modernise administration, every railway built in the name of progress and every programme of Europeanisation simultaneously expanded the influence of international finance over Bulgarian public life. Cultural prestige and economic indebtedness advanced together. The symbolic pursuit of Europe increasingly required the material surrender of financial autonomy.

This historical diagnosis was anticipated remarkably early by Dimitar Blagoev, one of Bulgaria's first socialist thinkers. Long before dependency theory, postcolonial studies or critical political economy emerged, Blagoev warned that the patriotic celebration of Liberation concealed another process unfolding beneath the surface of national triumph. While the public commemorated revolutionary heroes and political independence, governments pledged customs revenues, railway concessions, monopolies and future taxation to foreign creditors in order to finance the new state. Political liberation, he suggested, risked becoming the ideological façade behind which economic sovereignty quietly passed into foreign hands. Independence itself was not the problem; the financial architecture built upon independence was. Seen together, Todorova, Kyosev and Blagoev reveal three dimensions of a single historical process. Todorova explains how Bulgaria became Europe's imagined periphery. Kyosev explains why Bulgarian elites accepted that judgement and sought to overcome it through imitation. Blagoev explains how this imitation became economically organised through sovereign indebtedness. Their combined insights suggest that the most enduring empire of modern history was not territorial but financial. The Ottoman governor gradually disappeared, only to be replaced by the international creditor. Tribute gave way to interest payments, occupation to contracts, and imperial administration to sovereign debt. It is this transformation that the present article calls Bulgarism. Bulgarism is the cultural ideology through which self-colonisation becomes normalised and financial dependence becomes desirable. From this ideology emerges Bulgarization—the historical process through which political independence is progressively converted into sovereign collateral, cultural imitation into permanent indebtedness and national liberation into one of the most profitable institutions of international finance. The history of Bulgaria since 1878 may therefore be read not simply as the history of a nation, but as the history of the financialisation of sovereignty itself. It is this argument that the following pages seek to develop.

Part I: From Europe's Internal Other to Bulgaria's Internal Enemy

Maria Todorova's concept of Balkanism fundamentally changed the way the history of Southeastern Europe could be understood. Before the publication of Imagining the Balkans, the Balkans were usually treated either as a geographical region or as an unfortunate historical anomaly permanently condemned to political instability and ethnic conflict. Todorova

demonstrated that the Balkans are not simply a place but a discourse produced by Western Europe itself. Like Edward Said's Orientalism, Balkanism reveals that the object under discussion is constructed as much by language as by history. Yet unlike the Orient, the Balkans occupy a paradoxical position. They are neither fully outside Europe nor completely inside it. They constitute Europe's internal frontier, a region that is simultaneously recognised as European and denied full participation in European civilisation. The Balkans become Europe's incomplete self, a permanent reminder of what Europe claims it has already overcome. Bulgaria occupies perhaps the most revealing position within this symbolic geography. It stands at the intersection of multiple historical narratives: Byzantine, Ottoman, Slavic, Orthodox and European. Rather than being appreciated for this historical complexity, Bulgaria is repeatedly reduced to a simplified image of incompleteness. Western political and cultural discourse has long portrayed the country as existing in a permanent state of transition, forever approaching Europe but never arriving. Economic difficulties, administrative inefficiency, corruption and political instability are frequently interpreted not as historical phenomena shared by many societies but as expressions of an almost biological Balkan character. The legacy of Ottoman rule becomes the universal explanation for every contemporary problem, while the country's modern achievements disappear behind the stereotype of an unfinished nation. Balkanism therefore functions not simply as prejudice but as an intellectual mechanism that transforms history into destiny. Bulgaria is imagined as a country whose future is permanently imprisoned by its past. The result is a discourse in which modern political failures are interpreted as confirmations of ancient deficiencies rather than consequences of specific historical and economic developments. Such a representation gradually becomes far more powerful than objective reality because it influences diplomacy, journalism, academic research and even the self-perception of the societies being described. The Balkans cease to be a historical region and become a metaphor for Europe's unfinished business. Bulgaria, instead of existing as a sovereign historical actor, increasingly appears as a permanent example of what Europe supposedly left behind.

The most remarkable aspect of Todorova's analysis, however, is that it unintentionally opens the door to a far deeper question. What happens when the object of this discourse begins to believe it? At this point Alexander Kyosev's theory of Self-Colonizing Cultures becomes indispensable. Kyosev argued that Bulgaria was never formally colonised by Britain, France or Germany in the classical imperial sense. There was no colonial administration and no foreign governor ruling Sofia. Nevertheless, after Liberation in 1878 Bulgarian intellectuals voluntarily accepted Western Europe as the unquestionable measure of civilisation. Instead of asking what kind of modernity could emerge from Bulgaria's own historical experience, they asked how quickly Bulgaria could become a copy of Vienna, Paris or Berlin. Kyosev described this psychological condition as a "trauma of absence". Bulgarian elites increasingly perceived their own country not through its achievements but through its supposed deficiencies. They saw missing museums, missing universities, missing industries, missing boulevards and missing bourgeois traditions. Every comparison with Western Europe became an inventory of what Bulgaria lacked. The consequence was profound. Modernisation ceased to be an autonomous historical process and became an endless project of imitation. Architecture, education, administration, literature and political institutions were evaluated according to imported standards rather than local historical development. Bulgaria did not merely import technology or legislation; it imported an entire hierarchy of civilisation in which it permanently occupied the lower position. This transformation marks the birth of what this article defines as Bulgarism.

Unlike Balkanism, which describes the external production of Bulgarian inferiority, Bulgarism describes its internal acceptance and reproduction. It is the moment when the nation begins to speak about itself using the categories originally imposed by others. Bulgaria becomes both the object and the author of its own inferiority. The country no longer needs foreign observers to explain why it is backward because its own intellectual elites perform this task with remarkable efficiency. In this sense Bulgarism represents the completion of Balkanism. The external stereotype becomes an internal ideology, preparing the ground for an even more profound transformation. Once a nation becomes convinced that civilisation must be imported, it soon discovers that civilisation also has a price. The psychological dependence analysed by Kyosev inevitably acquires an economic form, and the search for European recognition gradually becomes inseparable from dependence upon European capital. This transition from cultural imitation to financial subordination constitutes the central historical mechanism that the following parts of this article seek to explain.

Part II: The Price of Becoming Europe: Self-Colonisation and the Birth of Financial Dependence

If Balkanism explains how Bulgaria was imagined from the outside and Bulgarism explains how these external judgements gradually became internal convictions, the next stage of the process concerns the material price of imitation. Civilisation is never merely an idea. Every vision of modernity requires institutions, infrastructure, technology and administrative machinery, all of which require capital. The newly liberated Bulgarian state inherited enormous political ambitions but almost none of the financial resources necessary to realise them. Independence created expectations of rapid transformation. Sofia was expected to resemble Vienna rather than an Ottoman provincial town, Bulgarian administration was expected to function according to Western European standards, the army had to defend the sovereignty of a modern nation-state, railways had to connect the country with European markets, schools and universities had to educate a new elite, while public buildings, ministries, theatres and museums had to symbolise the arrival of civilisation itself. None of these aspirations could be financed by patriotic enthusiasm alone. Bulgaria remained one of the poorest agrarian economies in Europe, possessing neither accumulated domestic capital nor a sufficiently developed banking system capable of supporting such an ambitious programme of state-building. The consequence was almost inevitable. Modernisation became inseparable from sovereign borrowing. Every major project required external financing, and every loan gradually transformed the political independence achieved in 1878 into a contractual relationship with European financial institutions. The dream of becoming Europe was increasingly financed by Europe itself. What appeared culturally as voluntary imitation simultaneously appeared economically as voluntary indebtedness. This was not accidental but structural. The same elites who believed that civilisation must be imported also accepted that its financial costs would be imported as well. The psychological logic identified by Alexander Kyosev therefore acquired an economic counterpart. Bulgaria did not simply import architecture, legislation or educational models. It imported capital together with the obligations attached to that capital. Loans became the invisible foundations upon which modern Bulgaria was constructed. Railways, military equipment, ministries, public works and urban reconstruction all became financed through successive agreements with foreign creditors, primarily from Austria, France and Germany. Every new achievement of Europeanisation strengthened the country's dependence upon

European finance, while every repayment transferred an increasing share of future national income abroad. Independence, paradoxically, created the legal subject capable of borrowing internationally. Under Ottoman administration Bulgaria could not independently contract sovereign debt. Only after becoming an independent nation-state could it legally enter international financial markets. Political sovereignty therefore became the very condition that allowed financial dependence to emerge.

This paradox reveals one of the central contradictions of modern capitalism. National independence movements have traditionally been celebrated as victories against empire, yet from the perspective of political economy they frequently created entirely new opportunities for imperial influence. Territorial empires ruled directly through governors, armies and imperial bureaucracies. Financial empires require something entirely different. They require sovereign governments capable of signing contracts, issuing bonds and guaranteeing repayment through future taxation. The independent nation-state thus becomes the ideal borrower. It possesses legal sovereignty while simultaneously lacking sufficient domestic capital to finance its own development. Independence becomes profitable precisely because it creates new debtors. From this perspective, the liberation of Bulgaria in 1878 did not simply mark the end of Ottoman political domination; it marked the beginning of a different historical relationship based upon finance rather than administration. Foreign banks increasingly replaced imperial officials, while interest payments gradually replaced tribute. The instruments of domination changed without eliminating the underlying asymmetry of power. This transformation is essential for understanding why Bulgarism cannot remain merely a cultural concept. The psychological desire to imitate Europe inevitably generates an economic mechanism through which imitation becomes dependent upon external credit. Modernisation is no longer financed internally but purchased through obligations extending decades into the future. Every new government inherits loans negotiated by its predecessors, every political crisis requires further borrowing, and every financial restructuring deepens external influence over domestic policy. Sovereignty itself gradually acquires a financial dimension. A nation may possess its own parliament, constitution, flag and diplomatic recognition while simultaneously losing increasing control over its fiscal priorities, monetary stability and long-term economic development. Bulgarism therefore reaches beyond identity and culture into the organisation of political power itself. The country becomes culturally convinced that Europe represents its future while economically integrating itself into financial structures that increasingly determine that future from outside. The empire has not disappeared; it has merely exchanged territorial conquest for sovereign credit, replacing military occupation with contractual obligation and discovering that debt may govern nations far more efficiently than armies ever could.

Part III: Independence for Sale: How the Empire Became a Bank

The Liberation of Bulgaria in 1878 occupies an almost sacred place in Bulgarian national memory. It marks the end of nearly five centuries of Ottoman rule and the rebirth of the Bulgarian state after centuries of political disappearance. Yet political history often celebrates events whose economic consequences remain largely invisible. From the perspective of political economy, the most important transformation after Liberation was not merely the establishment of an independent government but the creation of an entirely new financial actor. Bulgaria became a sovereign legal entity capable of borrowing money on the international

capital market. Under Ottoman administration the Bulgarian provinces could neither negotiate sovereign loans nor issue state bonds in their own name. Political independence changed this overnight. The new nation suddenly possessed the legal personality required to enter international financial markets, sign contracts with foreign banks and pledge future public revenues as collateral for development. This transformation fundamentally altered the nature of imperial influence. The Ottoman Empire had exercised power through military occupation, provincial governors and direct taxation. The emerging financial empires of nineteenth-century Europe required none of these traditional instruments. Their influence rested upon contracts rather than conquest, interest rather than tribute and sovereign debt rather than military administration. Bulgaria's independence therefore became valuable not only to Bulgarians but also to international finance. The newly liberated country urgently required railways, ports, roads, schools, ministries, military equipment, telegraph networks and public administration. These were not luxuries but the minimum institutional requirements expected of a modern European nation-state. Yet Bulgaria possessed neither accumulated industrial capital nor a sufficiently developed domestic banking system capable of financing such rapid modernisation. The inevitable solution appeared to be foreign borrowing. Loans obtained from Austrian, French and German financial syndicates financed infrastructure, administration and military expansion, but they also created obligations extending decades into the future. The money borrowed rarely remained inside Bulgaria for long. Much of it returned directly to Western Europe through the purchase of locomotives, weapons, machinery, engineering services and construction materials supplied by the very countries whose banks had provided the loans. The financial circuit therefore remained largely closed. Capital departed from Paris, Vienna or Berlin only to return there almost immediately, while Bulgaria retained the debt and the obligation to repay it with interest.

This mechanism fundamentally changed the meaning of sovereignty itself. Political independence no longer implied economic autonomy but the legal capacity to accumulate obligations. Every government inherited the debts negotiated by its predecessors, while every political crisis generated further borrowing. The Balkan Wars, the First World War, the interwar reconstruction, the economic crises of the twentieth century, socialist industrialisation, the financial collapse after 1989 and the restructuring programmes of the post-communist transition all reproduced the same structural logic. Monarchies, military governments, socialist administrations and liberal democracies succeeded one another, yet sovereign debt survived every constitutional transformation. Governments changed, creditors changed and ideologies changed, but the permanence of financial obligations remained remarkably constant. This continuity reveals that the true empire governing modern peripheral states was increasingly detached from territorial administration. The empire became a network of banks, creditors, bondholders and financial institutions whose authority rested upon repayment schedules rather than military force. It no longer required governors because local governments administered its financial architecture voluntarily. It no longer required occupation because contracts proved more durable than armies. Every independent nation-state became simultaneously a sovereign political actor and a permanently dependent financial subject. The celebrated triumph of national liberation therefore concealed a deeper historical irony. Independence itself became one of the most profitable institutions created by nineteenth-century capitalism. Without sovereign states there could be no sovereign borrowing; without sovereign borrowing there could be no permanent international debt. Financial empire did not destroy the nation-state but depended upon its existence. It encouraged national independence precisely because

independent governments could assume obligations that imperial provinces could not. The Ottoman governor disappeared only to be replaced by the international banker. Tribute became interest, imperial decrees became loan agreements and military authority gave way to contractual power. Bulgaria's history after 1878 therefore demonstrates that the end of territorial empire did not end imperial domination. It merely transformed empire into a financial system whose borders were invisible but whose authority extended across generations through the enduring discipline of sovereign debt.

Part IV: The Two Faces of Bulgarism: Aleko Konstantinov and Bay Ganyo

If Maria Todorova explained how Bulgaria became Europe's internal Other and Alexander Kyosev demonstrated how Bulgarian intellectuals voluntarily accepted this external judgement, Aleko Konstantinov transformed the same cultural drama into literature. His famous character Bay Ganyo has traditionally been interpreted as a satire of Bulgarian backwardness, provincialism and vulgarity. For more than a century he has been celebrated as one of the greatest achievements of Bulgarian literature precisely because he appears to expose everything that supposedly prevented Bulgaria from becoming a truly European nation. Yet this interpretation conceals a remarkable paradox. Bay Ganyo is usually treated as the problem, while Aleko is celebrated as the enlightened European observer diagnosing the illness. From the perspective developed in this article, however, the relationship is considerably more complex. Bay Ganyo and Aleko represent two complementary forms of the same historical process. They are not opposites but mirror images of Bulgarism itself. Bay Ganyo embodies the economic reality of a newly emerging peripheral capitalism. He travels across Europe selling rose oil, bargaining, improvising, surviving and seeking immediate profit within a market that was never designed for his success. He neither admires European civilisation nor attempts to imitate it. He approaches Europe pragmatically as a place where business can be conducted. His behaviour is often crude, opportunistic and embarrassing, yet it remains grounded in the practical logic of survival characteristic of small peripheral economies entering global capitalism. Aleko, by contrast, represents the newly Europeanised Bulgarian intelligentsia. His narrators observe Bay Ganyo through Western eyes, judging him according to the standards of Vienna, Prague and Paris. They are ashamed not because Bay Ganyo behaves immorally according to Bulgarian traditions but because he fails to perform Europeanness convincingly before Europeans. The satire therefore reveals something much deeper than individual vulgarity. It demonstrates that the Bulgarian intellectual elite had already internalised the Western hierarchy of civilisation. Europe had become the universal judge, while Bulgaria increasingly appeared before that tribunal as the accused. Bay Ganyo was transformed from a literary character into a national diagnosis. Instead of exposing only one social type, he gradually came to symbolise the Bulgarian nation itself.

This symbolic transformation had consequences extending far beyond literature. Once Bay Ganyo became accepted as the authentic image of Bulgaria, cultural self-colonisation acquired extraordinary legitimacy. Every comparison with Western Europe began from the assumption that Bulgaria represented deficiency, incompleteness or failure. Aleko's irony gradually ceased to function as satire and became accepted as sociology, psychology and even political philosophy. Entire generations of Bulgarian intellectuals learned to interpret their own society through Bay Ganyo's caricature, treating his behaviour as evidence of permanent national

characteristics rather than historical circumstances. The result was the remarkable alliance between two apparently incompatible figures. Aleko's Europeanised intellectual and Bay Ganyo's practical capitalist became equal participants in the same historical process. Aleko supplied the cultural justification for imitation by convincing educated Bulgarians that Europe represented the unquestionable standard of civilisation. Bay Ganyo supplied the economic behaviour characteristic of peripheral capitalism, pursuing immediate advantage without constructing institutions capable of preserving long-term sovereignty. One surrendered confidence in Bulgarian civilisation; the other neglected the economic discipline necessary for genuine independence. Together they created the psychological and material foundations upon which Bulgarism could flourish. Bulgarian elites increasingly sought recognition from Europe, while Bulgarian capitalism remained fragmented, opportunistic and financially weak. Neither possessed the capacity to challenge the expanding influence of foreign capital. On the contrary, both unintentionally strengthened it. The self-colonised intelligentsia demanded European institutions, European architecture and European prestige, while the emerging bourgeoisie accepted foreign finance as the easiest path towards rapid enrichment and modernisation. The consequence was that the newly liberated nation gradually exchanged one form of dependence for another. Political sovereignty remained formally intact, yet cultural authority increasingly flowed from Western Europe while financial authority followed the same direction through international banking networks. Bay Ganyo therefore cannot be understood simply as a comic literary figure, nor Aleko merely as an enlightened critic. Together they became the two cultural architects of Bulgarism: one teaching Bulgarians to distrust themselves, the other teaching them to survive within a system that increasingly rewarded dependence over sovereignty. Their combined legacy helped create the intellectual climate in which financial subordination appeared not only economically necessary but culturally desirable as the inevitable price of becoming European.

Part V: Against Bulgarism: Dimitar Blagoev and the Federation Against the Empire of Debt

If Maria Todorova explained the external production of Balkan inferiority, Alexander Kyosev analysed its internalisation and Aleko Konstantinov immortalised its cultural consequences, Dimitar Blagoev attempted to expose the economic structure hidden beneath them all. Known affectionately as Dyadoto, "The Grandfather," Blagoev belonged to the first generation of Bulgarian socialist thinkers who witnessed the transformation of the newly liberated Bulgarian state into a participant in European capitalism. Unlike most of his contemporaries, however, he refused to interpret this transformation as an inevitable march towards civilisation. He argued instead that political independence, although historically necessary, had already begun to conceal a deeper form of dependence. While Bulgarian society celebrated Liberation, erected monuments to revolutionary heroes and cultivated the mythology of national sovereignty, another process unfolded almost unnoticed. Every ambitious programme of modernisation required external financing, every new loan strengthened the position of foreign creditors and every government inherited obligations that increasingly restricted its political freedom. Railways, customs revenues, state monopolies, public infrastructure and future taxation gradually became tied to international financial agreements negotiated in Paris, Vienna, Berlin and later in other European financial centres. Blagoev understood that this was not simply a problem of irresponsible governments or excessive borrowing. It was a structural feature of the

emerging capitalist order. Small nation-states, recently liberated from declining territorial empires, entered the world economy not as equals but as financially dependent peripheries. Their political sovereignty enabled them to sign international loan agreements, yet their economic weakness prevented them from escaping the obligations created by those agreements. Independence therefore became the legal foundation upon which financial dependence was constructed. The Roman principle of divide et impera acquired a new historical form. Instead of governing vast multinational empires directly, the great powers increasingly preferred a landscape composed of numerous sovereign but economically weak nation-states competing against one another for markets, investments and foreign credit. Fragmentation became profitable because every small state required its own army, administration, infrastructure and public institutions, all financed through borrowing. Nationalism itself became economically productive for international finance. Every newly independent country represented another debtor entering the expanding global market of sovereign credit. From this perspective, political liberation no longer signified the end of empire but its transformation into a financial system operating through contracts rather than conquest. The empire no longer occupied territory; it organised debt.

Blagoev's alternative was therefore radically different from both liberal nationalism and imperial politics. He believed that the Balkan peoples could never achieve genuine sovereignty while remaining divided into numerous competing nation-states permanently dependent upon foreign financial centres. His proposal for a Balkan federation was not merely an idealistic dream of regional cooperation but a political-economic strategy designed to break the structural logic of financial fragmentation. A larger federation could create an integrated market, coordinate industrial development, formulate an independent financial policy and, above all, establish a sovereign currency governed according to the collective interests of its own citizens rather than the priorities of external creditors. In such a system money would cease to function primarily as the instrument of private financial accumulation and would become a public institution serving communal development. Capital for infrastructure, industry and defence would be raised internally rather than borrowed abroad. Citizens themselves would finance the development of their own communities through public investment, municipal bonds and democratic control over monetary policy, ensuring that interest payments circulated within society instead of flowing permanently towards foreign banking centres. The historical examples of autonomous cities financing their own development through locally purchased public debt demonstrated that financial sovereignty was possible whenever political communities retained control over the creation and circulation of money. Blagoev understood that the true foundation of sovereignty was not merely a constitution, a parliament or a national flag but control over credit, currency and public finance. Without these instruments political independence remained incomplete. Modern history, however, moved in the opposite direction. Financial globalisation, supranational monetary institutions and increasingly integrated capital markets steadily reduced the possibility of independent monetary policy for smaller states. Bulgaria itself gradually surrendered almost every instrument of financial sovereignty, culminating in arrangements that effectively transferred monetary authority beyond national democratic control. The historical alternative envisioned by Dyadoto became progressively more remote. Yet his diagnosis remains strikingly relevant. He recognised earlier than most European thinkers that the greatest danger confronting newly independent nations would not be the return of territorial empire but the emergence of invisible financial empires whose authority rested upon debt rather than occupation. His warning completed the intellectual sequence

running through Todorova, Kyosev and Aleko. Balkanism explained the external discourse, Bulgarism explained its internalisation, while Blagoev revealed the political economy through which cultural dependence became financial dependence. Together they expose the historical architecture of Bulgarization itself: the transformation of political independence into permanent indebtedness within an international order where sovereign states remain formally free while their financial future is increasingly governed elsewhere.

Conclusion: Dyadoto's Last Warning: Beyond Bulgarism and Bulgarization

The history of modern Bulgaria may therefore be read not simply as the history of a nation but as the history of an illusion. The illusion was that political independence automatically produces economic sovereignty. The generation that fought for Liberation believed that once Ottoman rule disappeared Bulgaria would finally become master of its own destiny. Instead, the newly established nation entered another historical system whose mechanisms proved far less visible but considerably more durable. Territorial empire gradually gave way to financial empire, military occupation was replaced by contractual obligation and tribute became interest. The institutions changed, the flags changed, governments came and went, monarchies disappeared, socialist regimes rose and collapsed, liberal democracy replaced state socialism, yet one remarkable continuity survived every ideological revolution: sovereign debt. The independent Bulgarian state became the permanent debtor of successive international financial systems, while political history increasingly unfolded within economic limits established elsewhere. In this historical drama the cultural figures examined throughout this article acquire a significance extending far beyond literature. Aleko Konstantinov and his immortal hero Bay Ganyo appear not as enemies but as complementary participants in the same process of self-colonisation. Aleko unintentionally persuaded generations of educated Bulgarians to look at themselves through the eyes of Europe, transforming satire into a permanent national psychology of inadequacy. Bay Ganyo, on the other hand, embodied the fragmented, opportunistic capitalism of a poor peripheral society seeking immediate survival rather than long-term institutional independence. One surrendered cultural confidence; the other neglected economic sovereignty. Together they produced the psychological and material conditions through which Bulgarism flourished. Europe became both the judge and the model, while foreign capital increasingly became both the financier and the beneficiary of Bulgarian modernisation. The tragedy was therefore not simply that Bulgaria accumulated debt but that debt itself came to appear as the natural price of civilisation. Every new loan seemed another step towards Europe, while every repayment transferred another portion of national sovereignty beyond democratic control. Bulgarization thus became the historical mechanism through which Bulgarism acquired institutional permanence.

Against this powerful historical current stood almost alone Dimitar Blagoev, remembered by generations of Bulgarian socialists simply as Dyadoto—The Grandfather. His warning appears today remarkably prophetic. He recognised that the fragmentation of peoples into numerous small nation-states could become one of the most effective instruments of modern empire. Divided states competed against one another for recognition, markets, security and, above all, foreign credit. The old Roman principle of divide et impera no longer required imperial governors because debt itself performed the work of empire. Blagoev therefore proposed an alternative that reached beyond Bulgarian nationalism altogether: a large federation capable of

pursuing an independent financial policy, controlling its own sovereign currency and organising economic development according to the interests of its own citizens rather than external creditors. Money, in his vision, should not remain the monopoly of private financial power but become a public institution serving communal life. Capital for development would be generated internally through democratic control of finance, allowing citizens to invest in their own cities, regions and federation instead of permanently enriching distant financial centres. Such a system would transform public credit from an instrument of dependence into an instrument of sovereignty. Whether this vision was historically achievable is another question. For contemporary Bulgaria, deeply integrated into international financial structures and increasingly surrendering monetary authority to supranational institutions, the possibility appears extraordinarily remote. The historical trajectory of Bulgarization has advanced too far for easy reversal. Yet Blagoev's diagnosis retains its analytical force because it identifies the structural relationship between sovereignty and money that continues to shape the modern world. The ultimate lesson of Bulgarism is therefore not confined to Bulgaria alone. It reveals how nations may celebrate political freedom while gradually surrendering economic autonomy, how cultural admiration may become financial dependence, and how the most enduring empires are often those that require neither armies nor occupations but only borrowers convinced that indebtedness is the unavoidable price of civilisation. The true challenge of the twenty-first century may therefore be neither the defence of borders nor the preservation of identities, but the recovery of democratic sovereignty over money itself. Without such sovereignty, political independence risks remaining what it has too often been since 1878: not the end of empire, but merely the beginning of a different one.

Bulgarization:

Bulgarization is the historical process through which a newly independent nation gradually exchanges political sovereignty for long-term cultural, economic, financial and institutional dependence. It describes the transformation of national liberation into sovereign indebtedness, whereby successive political regimes finance state-building, modernisation and development through external borrowing until public debt becomes the principal mechanism limiting national autonomy. Under Bulgarization, territorial empires disappear but are replaced by financial empires that govern through sovereign credit, contractual obligations and international capital rather than military occupation. Independence remains formally intact while the state's political, monetary and fiscal sovereignty is progressively subordinated to external financial interests.

Bulgarism:

Bulgarism is the cultural and political ideology of permanent national incompleteness through which Bulgarian society internalises external standards of civilisation and voluntarily accepts its own inferiority in relation to Western Europe. Extending Maria Todorova's concept of Balkanism and Alexander Kyosev's theory of Self-Colonizing Cultures, Bulgarism describes the specifically Bulgarian fusion of cultural self-colonisation and financial self-subordination. It is the belief that modernity, legitimacy and civilisation must be imported from abroad and financed through external capital, even at the cost of diminishing national sovereignty.

Bulgarism therefore transforms the pursuit of European recognition into a permanent condition of economic dependence, making foreign models, institutions and creditors appear as necessary instruments of national progress.

Self-Colonizing Nations:

Self-Colonizing Nations are states that were never formally conquered or administered by Western colonial empires but whose political, intellectual and cultural elites voluntarily adopt foreign models of civilisation as universally superior while regarding their own historical traditions as fundamentally deficient. Rather than being colonised by external force, these nations colonise themselves by internalising external hierarchies of value, measuring their development according to imported standards and restructuring their institutions, culture and economy in pursuit of external recognition. In the process, cultural imitation frequently evolves into economic dependence, as programmes of modernisation become financed through foreign capital and integrated into wider structures of international financial control. Self-colonisation thus represents a voluntary form of dependency in which external domination operates primarily through cultural prestige and economic integration rather than military occupation or direct political rule.

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